

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00

PA-02 USIA-15 PRS-01 SP-02 COME-00 EB-07 LAB-04

SIL-01 /050 W

-----051247Z 010662 /53

R 050607Z MAY 77

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 8222

UNCLAS JIDDA 3269

E.O. 11652: N/A

TAGS: EFIN, ECON, ELAB, SA

SUBJ: SAG ANNOUNCES PAY INCREASE

1. PAY RAISE FOR SAG CIVIL SERVANTS WAS ANNOUNCED MAY 4 FOLLOWING COUNCIL OF MINISTERS MEETING CHAIRED BY KING. RAISE REACHES 50 PERCENT IN LOWER GRADES, REDUCING PROGRESSIVELY TO 25 PERCENT IN HIGHEST GRADE.

2. COMMENT: RAISE HAS BEEN UNDER CONSIDERATION FOR SEVERAL MONTHS, AND FOLLOWS PAY INCREASE GIVEN TO ARMED FORCES IN MARCH. ITS ANNOUNCEMENT UNDER KING'S SPONSORSHIP, IN FESTIVE ATMOSPHERE SURROUNDING HIS RETURN TO COUNTRY WILL GIVE SMALL BOOST TO KING'S AND REGIME'S IMAGE, PARTICULARLY AMONG CIVIL SERVANTS WHO HAVE NOT HAD A GENERAL RAISE IN OVER A YEAR OF HIGH INFLATION. THE TIMING OF THE PAY RAISE, EFFECTIVE IN MID-JUNE, IS ALSO FORTUITOUS IN TERMS OF LIMITING ITS IMMEDIATE INFLATIONARY IMPACT, AS MERCHANTS' INVENTORIES ARE HIGHER THAN USUAL IN CURRENT BUSINESS LULL. SAG SALARIES AND EXPENSES TOTAL LESS THAN 8 PERCENT OF THE STATE BUDGET, AND POSSIBLE ECONOMIC EFFECT OF THIS NEW SPENDING POWER IN THE HANDS OF APPROXIMATELY 180,000 CIVIL SERVANTS IS UNCLEAR IN SITUATION IN WHICH MANY SAG OFFICIALS ALREADY HAVE SUBSTANTIAL SECOND SOURCES OF INCOME. GOVERNMENT HAS WARNED MERCHANTS THAT

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IN INTENDS TO MONITOR PRICES CLOSELY TO CUT OFF ANY PROFITEERING BASED ON PAY RAISE. SAG APPEARS TO BE COMMITTED TO CONTINUATION OF ANTI-INFLATIONARY POLICIES, BUT REAL TEST OF ITS INTENTIONS WILL COME WITH PUBLICATION OF NEW BUDGET (ABOUT WHICH WE HAVE SO FAR BEEN UNABLE TO GET ANY MEANINGFUL INDICATIONS) IN MID-JUNE.
PORTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT PERSONNEL, COST OF LIVING WAGE ADJUSTMENT
Control Number: n/a
Copy: SINGLE
Sent Date: 05-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JIDDA03269
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770158-0115
Format: TEL
From: JIDDA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770591/aaaadaif.tel
Line Count: 62
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 567f179a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
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Retention: 0
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Review Content Flags:
Review Date: 26-Oct-2004 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 2633587
Secure: OPEN
Status: NATIVE
Subject: SAG ANNOUNCES PAY INCREASE
TAGS: EFIN, ECON, ELAB, SA
To: STATE
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vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/567f179a-c288-dd11-92da-001cc4696bcc
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